

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

The Role of San Diego County Capital Asset Leasing Corporation (SANCAL)

**Policy
Number**

A-104

Page

1 of 2

Purpose

To establish the role of San Diego County Capital Asset Leasing Corporation (SANCAL) and its relationship to the County Board of Supervisors.

Background

In June of 1984, the County established SANCAL, under the provisions of Section 5226 California Nonprofit Public Benefit Corporation Law, to provide a means of issuing low-cost debt instruments to fund the procurement of capital facilities and equipment.

SANCAL'S By-laws establish its structure and powers as an independent entity; however, there are no guidelines concerning the role and scope of involvement the SANCAL Board should undertake to best serve the County Board of Supervisors.

In August 1985, the Board of Supervisors, with the SANCAL Board in attendance, reviewed the SANCAL function and established the guidelines contained in this policy to define the SANCAL role and relationship to the Board of Supervisors, which the Supervisors believed would best serve them.

Policy

It is the policy of the Board of Supervisors that:

1. SANCAL is an independent advisory body and shall report directly to the Board of Supervisors.
2. SANCAL's primary functions shall be:
 - A. To evaluate financing alternatives for those projects and equipment referred to it by the Board of Supervisors and to recommend to the Supervisors the most advantageous method of acquiring debt financing. Factors related to the marketability or financial impact on the County financing should also be evaluated by the SANCAL Board. Examples of those factors are: 1) the appropriateness of an item to be classified and financed as "capital equipment", 2) the sizing of financings to yield the appropriate amount of funds, and 3) the impact of financings on the County's debt burden.

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

The Role of San Diego County Capital Asset Leasing Corporation (SANCAL)

**Policy
Number**

A-104

Page

2 of 2

B. After financing is secured, to carry out the fiduciary responsibilities of protecting the interests of bond holders.

3. Policy issues concerning capital facility or equipment: need, location, size, design, cost, etc. are within the purview of the Board of Supervisors and have had thorough review prior to referral to SANCAL for financing.

4. To the extent possible, staff and support costs for SANCAL related to specific financings will be charged to the administrative expense funds of the related financing instrument.

5. Periodic reports regarding SANCAL's financings, functions, duties or responsibilities shall be provided to the Board of Supervisors as deemed appropriate by either the Board of Supervisors or the SANCAL Board. Reports may be written or verbal at the discretion of the SANCAL Board.

Sunset Date

This policy will be reviewed for continuance by 12-31-01.

Board Action

12-3-85 (6)

11-7-95 (34)

CAO Reference

1.Chief Financial Officer/Auditor and Controller